

30 June 1964

MEMORANDUM FOR: Mr. Dulles

1. In connection with your historical item on the origins of CIA, I have a few suggestions for your consideration. Incidentally, I agree with the points which [ ] has mentioned to you and which I understand you have incorporated.

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2. In the paragraph in the middle of page 4, which ends with the sentence, "These latter were put together in an organization known as the Strategic Services Unit (SSU)," you may want to add something along the following lines:

SSU was not put under G-2 but was put under the Under Secretary of War, and it is only fair to say that throughout the ensuing struggle for control and until SSU was taken over by CIG it was left largely autonomous in its operations and received complete administrative support from the Army."

3. On page 5, after the first two sentences and before your statement on President Truman's directive of January 2, 1946, I suggest something along the following lines:

Of the many studies and proposals probably the most influential was that of the so-called Lovett Committee, headed by Mr. Robert A. Lovett, Assistant Secretary of War for Air. This proposed a Central Intelligence Agency supported by an independent budget which would be responsible only to a National Intelligence Authority composed of the Secretaries of State, War and Navy and a representative of the Joint Chiefs of Staff.

4. It may be a nitpick but you might want to have your last two sentences on page 6 read as follows:

Under the act the Central Intelligence Agency was placed directly under the direction of the National Security Council, which is composed of the President, the Secretary of State, the Secretary of Defense, and other primary Presidential advisers in the field of foreign affairs. Interestingly enough, CIA is the sole Agency of Government which as a matter of law is directly under the National Security Council, which is advisory only to the President, thus perpetuating the general principle of control at the White House level which President Truman had developed in creating the National Intelligence Authority.

s/ Lawrence R. Houston

Lawrence R. Houston

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cc:

Fortunately many experienced officers of the O.S.S. had remained on in the various internal intelligence units which functioned under the aegis of the State and War Departments in the postwar period.

This was largely due to the foresight of General Donovan, who at an early date had directed President Roosevelt's attention to the urgency of action to preserve the assets and provide for the carrying on of certain of the intelligence functions which had devolved upon the O.S.S. during World War II.

As the war was coming toward a close in October of 1944, Donovan had discussed this whole problem with the President; and in response to his request, had sent him a memorandum on November 18, 1944. In this memorandum Donovan outlined his ideas of what an intelligence service should be equipped to do in the postwar period. In this memorandum he stressed that while intelligence operations during the war were mainly in support of the military and hence had been placed under the Joint Chiefs of Staff, in the postwar period he felt they should be

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placed under the direct supervision of the President.

He further proposed that a central intelligence authority, including the Secretaries of State and Defense, as well as the President's representative, should be created under the President's direction, to supervise and coordinate the work of intelligence.

In concluding his memorandum, General Donovan stated:

" We have now in government the trained and specialized personnel needed for the task. This talent should not be dispersed". Under the pressure of the dramatic events of the last months of the war, it was not until April 5, 1945, that President Roosevelt, as one of his last acts, answered General Donovan's memorandum and instructed him to call together "the chiefs of foreign intelligence and internal security units in the various Executive agencies so that a consensus of opinion can be secured" as "to the proposed centralized intelligence service". ~~With President Roosevelt's death~~ President Truman took the oath of office on April 12, 1945, and was of course immediately involved in all of the intricate questions arising out of the end of the war and the preparation for the Potsdam Conference in July 1945.

On April 26 he had a chance to discuss <sup>intelligence</sup> ~~the whole matter~~ with the Director of the Bureau of the Budget, Harold D. Smith, who got into the act in connection with the preparation of the new budget and had his own ideas about the re-organization of intelligence. He had already sent President Roosevelt a memorandum, in which he pointed out, as President Truman reports (Memoirs by Harry S Truman, Year of Decisions, Volume I, page 98) "that a tug of war was going on among the FBI, the Office of Strategic Services, the Army and Navy Intelligence, and the State Department". President Truman added in his Memoirs:

"I considered it very important to this country to have a sound, well-organized intelligence system, both in the present and in the future. Properly developed, such a service would require new concepts as well as better-trained and more competent personnel. Smith suggested, and I agreed, that studies should be undertaken at once by his specially trained experts in this field. Plans needed to be made, but it was imperative that we refrain from rushing into something that would produce harmful and unnecessary rivalries among the various intelligence agencies. I told Smith that one thing was certain - this country wanted no Gestapo under any guise or for any reason."

For the next few months the issue was hotly debated with the Joint Chiefs of Staff playing an important role,

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having <sup>instructed their</sup> ~~instituted a committee~~ called the Joint Intelligence Committee, <sup>on which all the military and civilian foreign intelligence</sup> ~~which proceeded to~~ study ~~the~~ proposals which Donovan had earlier submitted to President Roosevelt, as well as those of other interested agencies. <sup>according to</sup> ~~was~~

Meanwhile the Bureau of the Budget continued its own activities and prepared an Executive Order for President Truman's signature putting the Office of Strategic Services into liquidation. When the Joint Chiefs heard of this, they urged the President to defer action until their views could be presented. However, this word reached the White House too late as the President, on the 20th of September, 1945, by Executive Order provided for the termination of the O.S.S. and placing its research unit in the Department of State and the other units under the Secretary of War. These latter were put together in an organization known as the Strategic Services Unit (SSU).

Meanwhile <sup>the</sup> tug of war had <sup>continued</sup> ~~been going on~~ between the Department of State on the one hand, which desired <sup>postwar leadership of foreign</sup> to take over ~~the~~ intelligence ~~function~~, and the military services, including the Joint Chiefs of Staff <sup>who wished</sup> ~~to continue their predominant role in that field.~~ ~~final disposition of the assets of O.S.S.~~

To help resolve these conflicts of interest, the President called on an old friend, Sidney W. Souers, who had been serving the Navy Department in an intelligence capacity and had been promoted to flag rank in 1945 and made Deputy Chief of Naval Intelligence. He in turn worked closely with Adm. Leahy

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Finally ~~the conflicting interests were~~

*sent* ~~was~~ President Truman ~~sent~~ on January 22, 1946, a directive to the Secretaries of State, War and Navy that they, together with a personal representative of the President (Adm. William Leahy was the President's designee), should constitute the National Intelligence Authority. This was to supervise the new intelligence organization which was placed under a director of central intelligence. Adm. Souers was appointed the first head of the new Agency, known as the Central Intelligence Group. Upon his resignation six months later, he was succeeded by Gen. Hoyt Vandenburg, but continued as an advisor.

*and the development of the Central Intelligence Group, which*  
President Truman's directive of January 22 ~~was~~

*was* taken as a basis for the legislation creating the Central Intelligence Agency in the National Security Act of

1947, to which I have already referred. Under the Act, the Central Intelligence Agency was placed directly under the President through the National Security Council. Interestingly enough, CIA is the sole agency of government which as a matter of law is under

the National Security Council, whose charter members

*the President as well as*  
included the Secretaries of State and Defense, thus  
*at the White House level*  
perpetuating the general principle of control which

*creating*  
President Truman had developed in ~~creating~~ the National Intelligence Authority.



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